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Selected Speeches and News Releases

June 2 - June 9, 1988

IN THIS ISSUE:

News Releases—

USDA Increases Dairy Product Grading and Inspection Fees

USDA Announces Prevailing World Market Price for Upland Cotton

USDA Seeks Comments on Peanut Handlers' Letters of Credit

USDA Issues 12 National Forest Timber Sale Suspensions

USDA Says Conservation Reserve Program is Reducing Farmland Erosion

USDA Announces Producer Assessments for Ohio, Wisconsin Cigar Tobaccos

USDA Proposes Procedures for Pork Producer Referendum

USDA Announces Prevailing World Market Rice Prices

USDA Announces Changes in Farm Program Payment Limitations for Married Couples

USDA Issues Three Permits to Test Genetically Engineered Plants

Fast-Spreading Imported Grain Pest to Face Crash Research Program

USDA Announces 1987 Crop Loan Rates and Assessments for Puerto Rican Tobacco

News Releases

U.S. Department of Agriculture • Office of Information

USDA INCREASES DAIRY PRODUCT GRADING AND INSPECTION FEES

WASHINGTON, June 2—Effective June 19, the U.S. Department of Agriculture will increase fees for its “voluntary”—i.e., industry-solicited—dairy product grading and inspection services.

Rising operating costs since the last fee rise in November 1977 prompt the increase, said J. Patrick Boyle, administrator of USDA's Agricultural Marketing Service. Reserves in the administrative trust fund into which the fees are deposited are being depleted and increased revenues are also needed to meet normal operating expenses as well as to cover necessary staff training and office automation projected for 1988, he said.

Fee changes are as follows:

- from \$20.30 per hour to \$24 per hour for non-routine laboratory work, with a similar increase for laboratory tests for which published fees are charged at a per test rate rather than an hourly rate;

- from \$15.60 per hour to \$24 per hour for “continuous resident” grading and inspection, i.e., for a grader-inspector assigned to a plant permanently. The same rate will be in effect for an “assistant” grader or inspector in these programs;

- from \$25.80 per hour to \$36 per hour for “continuous non-resident” grading and inspection. The charge will continue to include all per diem and travel costs;

- from \$19 per hour to \$33 per hour for intermittent grading and inspection services, with travel and per diem costs continuing to be charged in addition to the hourly charge.

USDA also will implement other changes in this grading and inspection program which will:

- permit dairy grading officials to reject an application for grading service if any fee payments by the applicant for prior services are not made within 30 days of billing, rather than the 60 days allowed now;

- delete the requirement of a surety bond for certain prospective licensees, i.e., those wishing to participate in the USDA grading program;

- change certain items for which laboratory services are available;
- drop an administrative charge equal to 10 percent of actual travel expenses.

These changes will be published as a final rule in the June 3 Federal Register. Copies may be obtained from the Dairy Grading Section, Dairy Grading and Standardization Branch, Dairy Division, AMS, USDA, Rm. 2750-S, P.O. Box 96456, Washington, D.C. 20090-6456.

Clarence Steinberg (202) 447-6179

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USDA ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON

WASHINGTON, June 2—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, June 3, through 12:00 midnight Thursday, June 9.

Since the adjusted world price (AWP) is above the 1987-crop base quality loan rate of 52.25 cents per pound, the loan repayment rate for 1987-crop upland cotton during this period is equal to the loan rate for the specific quality and location.

The AWP will be used to determine the value of upland cotton that is obtained in exchange for commodity certificates. However, no coarse count adjustment will be applicable during the period because the adjustment is less than 1.00 cent per pound.

Based on data for the week ending June 2, the AWP for upland cotton and the coarse count adjustment are determined as follows:

Adjusted World Price	
Northern Europe Price	66.39
Adjustments:	
Average U.S. spot market location	9.53
SLM 1-1/16 inch cotton	2.00
Average U.S. location	0.44
Sum of Adjustments	-11.97
ADJUSTED WORLD PRICE	<u>54.42 cents/lb.</u>

Coarse Count Adjustment	
Northern Europe Price	66.39
Northern Europe Coarse Count Price	-60.44
	<u>5.95</u>
Adjustment to SLM 1-inch cotton	-6.25
	<u>-0.30</u>
COARSE COUNT ADJUSTMENT	0 cents/lb.

The next AWP and coarse count adjustment announcement will be made June 9.

Charles Cunningham (202) 447-7954

#

USDA SEEKS COMMENTS ON PEANUT HANDLERS’ LETTERS OF CREDIT

WASHINGTON, June 3—The U.S. Department of Agriculture’s Commodity Credit Corporation is seeking comments on proposed regulations that set guidelines for determining the increase required in peanut handlers’ letters of credit.

Letters of credit are required by CCC to insure compliance with regulations on the handling and use of additional peanuts. The CCC may draw funds against a letter of credit in the event of a violation of regulations by the peanut handler. Additional peanuts are those produced above a quota, and must be exported or crushed.

Under the proposed guidelines, the increase will be based on penalties previously assessed against a handler for violation of the regulations.

The deadline for comments is July 1. Send them to: Director, Tobacco and Peanuts Division, ASCS/USDA, Box 2415, Washington, D.C. 20013. The comments will be available for inspection during normal working hours in Room 5750-S of USDA's South Building, 14th and Independence Ave., S.W., Washington, D.C.

John Ryan (202) 447-8207.

#

USDA ISSUES 12 NATIONAL FOREST TIMBER SALE SUSPENSIONS

WASHINGTON, June 6—Effective immediately, the U.S. Department of Agriculture is suspending six Pacific Northwest companies and six company officials from purchasing national forest timber.

James C. Overbay, the suspending official with USDA's Forest Service, said the individuals and companies were suspended because of suspected involvement in an alleged scheme to steal timber and defraud the United States on sales from the Olympic National Forest in Washington. A federal grand jury in Seattle recently indicted the six officials on theft and fraud charges.

The suspended individuals and companies cannot purchase timber from national forests or receive extensions on existing timber contracts until the legal proceedings stemming from criminal indictments are completed.

"After considering all the circumstances, we decided immediate suspensions are in the public interest and necessary to protect the federal government," Overbay said.

The suspended individuals are: Leonard Anderson, Hoquiam, Wash.; Michael Anderson, Aberdeen, Wash.; Joseph Ness, Elma, Wash.; Edward "Sonny" Oldman, Ocean Shores, Wash.; Gregory Maurer, Aberdeen, Wash.; and Terry Bodenhammer, Humptulips, Wash.

The six suspended companies are: Anderson Brothers Logging, Inc., Cosmopolis, Wash.; Timber Applicators, Inc., Cosmopolis, Wash.; Northway Transportation, Inc., Cosmopolis, Wash.; Maurer Services Co., Aberdeen, Wash.; ACE Forest Services Co., Aberdeen, Wash.; and B&T Cutting, Humptulips, Wash.

Another indicted individual, Glenn T. Anderson, Cosmopolis, Wash., is currently debarred from the purchase of National Forest timber as is his company, Glenn T. Anderson, Inc.

Jay Humphreys (202) 447-4211

#

USDA SAYS CONSERVATION RESERVE PROGRAM IS REDUCING FARMLAND EROSION

WASHINGTON, June 6—The Conservation Reserve Program is reducing erosion on farmland by over a half billion tons of soil a year, according to Wilson Scaling, chief of the U.S. Department of Agriculture's Soil Conservation Service.

“Our figures indicate CRP is reducing annual soil erosion on the nation's cultivated cropland by 17 percent,” said Scaling.

Scaling said that the average erosion rate on CRP's 25.5 million acres of land—contracted through six signups will drop from 22 to 1.6 tons an acre when placed in grass or trees.

“The program is on track,” he said. “In fact, when the program goal of retiring 40-45 million acres of highly erodible land is met by 1990, CRP should reduce erosion on all cultivated land by 25 percent, compared to 1982 levels.”

CRP is administered by USDA's Agricultural Stabilization and Conservation Service, with assistance from other USDA agencies including SCS, the Extension Service, and the Forest Service. Participants receive cost-share payments of up to 50 percent of the cost of establishing trees or grass on the acreage placed in the program.

Cropland areas 66-99 feet wide, next to streams, lakes, estuaries and other permanent bodies of water which are suitable as vegetative filter strips, are now allowed in the program.

Farmers also receive annual rental payments for retiring their land through 10-year contracts. The average annual rental rate to be paid to farmers participating through six signups is \$48.38 an acre.

The next CRP signup will be July 18-Aug. 5, 1988.

Following are contracts, acreages and erosion reduction figures by state:

CONSERVATION RESERVE PROGRAM: All Signups (1-6)
Erosion Reduction on CRP Acres by State*

State	CRP Contracts	Contracted Acres	Erosion Reduced Tons/year
ALABAMA	7,057	435,163	7,916,994
ALASKA	36	24,374	117,197
ARKANSAS	2,068	155,673	2,554,847
CALIFORNIA	402	157,574	2,215,125
COLORADO	5,015	1,674,322	42,516,794
DELAWARE	16	452	5,453
FLORIDA	1,620	92,358	1,496,895
GEORGIA	10,398	511,737	6,694,467
HAWAII	1	85	340
IDAHO	2,758	668,250	10,764,212
ILLINOIS	9,013	395,954	8,733,713
INDIANA	5,313	215,548	3,842,287
IOWA	21,371	1,494,625	28,927,241
KANSAS	22,137	2,227,709	37,766,457
KENTUCKY	6,227	358,924	12,784,253
LOUISIANA	998	78,512	1,227,611
MAINE	623	27,152	202,102
MARYLAND	242	7,091	91,356
MASSACHUSETTS	2	25	190
MICHIGAN	3,123	128,663	1,600,888
MINNESOTA	20,315	1,530,997	26,341,367
MISSISSIPPI	8,742	543,323	13,029,389
MISSOURI	15,958	1,303,269	25,286,409
MONTANA	5,401	1,982,517	26,302,958
NEBRASKA	9,912	1,057,945	24,957,020
NEVADA	4	1,448	18,852
NEW JERSEY	16	364	8,734
NEW MEXICO	1,422	459,054	19,019,292
NEW YORK	1,083	40,317	530,612
NORTH CAROLINA	4,093	104,374	1,808,723
NORTH DAKOTA	10,098	1,761,762	27,633,624

OHIO	3,439	148,767	2,193,068
OKLAHOMA	6,565	943,169	22,266,135
OREGON	1,736	489,443	5,528,071
PENNSYLVANIA	1,579	58,634	1,067,529
CARIBBEAN	5	240	11,216
SOUTH CAROLINA	4,709	206,472	2,825,790
SOUTH DAKOTA	6,137	993,058	12,673,077
TENNESSEE	7,739	349,464	8,383,186
TEXAS	13,951	3,157,612	115,523,541
UTAH	872	218,574	3,682,163
VERMONT	8	184	2,101
VIRGINIA	1,930	49,684	871,146
WASHINGTON	3,373	842,603	11,466,364
WEST VIRGINIA	25	498	4,492
WISCONSIN	11,232	412,882	6,570,939
WYOMING	645	214,551	2,840,518
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U.S. Total	239,409	25,525,393	530,304,735

*Arizona, Connecticut, New Hampshire, and Rhode Island do not have any participation in CRP thus far.

Thomas Ponton (202) 447-2889

#

USDA ANNOUNCES PRODUCER ASSESSMENTS FOR OHIO, WISCONSIN CIGAR TOBACCOS

WASHINGTON, June 6—The U. S. Department of Agriculture's Commodity Credit Corporation today announced no-net-cost producer assessments of 44 cents per pound on 1988 crop Ohio cigar filler tobacco, types 42-44, and 10 cents per pound for the 1988 crop of northern Wisconsin cigar binder tobacco, type 55.

No assessments will be required for southern Wisconsin cigar binder tobacco, type 54, because current funds in the no-net-cost account are sufficient to cover anticipated losses.

The assessments ensure that the tobacco price support program for these tobaccos will be operated at no-net-cost to taxpayers as required by the No-Net-Cost Tobacco Program Act of 1982. The assessments were

determined after consultation with the producer associations that provide price support on the respective types of tobacco.

Producers who do not agree to pay the assessments will be ineligible for price support on the respective kind of tobacco and if these producers market the tobacco, they will be subject to a penalty which is equal to 75 percent of the 1987 crop's average market price. This is the same penalty that applies to marketing excess tobacco when marketing quotas are in effect.

Robert Feist (202) 447-6789

#

USDA PROPOSES PROCEDURES FOR PORK PRODUCER REFERENDUM

WASHINGTON, June 7—The U.S. Department of Agriculture is proposing procedures for conducting a referendum among pork producers and hog and pork importers to determine whether the pork promotion program authorized by the Pork Promotion, Research, and Consumer Information Act of 1985 will be continued.

J. Patrick Boyle, administrator of USDA's Agricultural Marketing Service, said registration and voting is proposed for Sept. 7 and 8. Voters would be asked whether assessments which fund the program should continue to be collected, he said. Assessments are one-quarter of one percent of the market value of all hogs sold in the United States and an equivalent amount on imported hogs, pork, and pork products.

Pork producers or persons importing hogs, pork, or pork products between Nov. 1, 1986, when the assessments began, and Sept. 6, 1988, may vote in the referendum, said Boyle.

Among the procedures proposed for the referendum are that voting take place at USDA's Extension Service county offices, and USDA's Agricultural Stabilization and Conservation Service count the ballots, determine the eligibility of challenged voters, and report the referendum results.

The proposal includes absentee voting procedures for eligible producers or importers unable to vote in person.

Before issuing a final rule on voting procedures for this referendum, the secretary of agriculture will consider all comments received on these proposals. AMS monitors the activities of the pork board for the secretary.

The proposed procedures will be published in the June 8 Federal Register. Pork producers, importers, and other interested parties have until June 23 to submit comments, in duplicate, to the Marketing Programs and Procurement Branch, Livestock and Seed Division, AMS, USDA, Rm. 2610-S, P.O. Box 96456, Washington, D.C. 20090-6456. More information is available from Branch Chief Ralph L. Tapp, telephone (202) 447-2650.

Clarence Steinberg (202) 447-6179

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, June 7—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

- long grain whole kernels, 10.09 cents per pound;
- medium grain whole kernels, 9.28 cents per pound;
- short grain whole kernels, 9.18 cents per pound;
- broken kernels, 5.04 cents per pound.

Loan repayment rates for 1987-crop warehouse or farm-stored rice loans are the higher of the world prices or 50 percent of the loan rates. Based upon these prevailing world market prices for milled rice, the estimated average world prices for 1987 crop rough rice are:

- long grain, \$6.07 per hundredweight;
- medium grain, \$5.78 per hundredweight;
- short grain, \$5.59 per hundredweight.

The prices announced are effective today at 3 p.m. EDT. The next scheduled price announcement will be made June 14 at 3 p.m. EDT, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

#

USDA ANNOUNCES CHANGES IN FARM PROGRAM PAYMENT LIMITATIONS FOR MARRIED COUPLES

WASHINGTON, June 8—A husband and wife engaged in farming will be considered “separate persons” with respect to the maximum program payment limitation provisions for the 1988 crop year, if each maintained separate farming operations before and after their marriage, Secretary of Agriculture Richard E. Lyng announced today.

Lyng said an interim rule was issued for the 1988 crop year to provide for an orderly transition for persons who will be affected in 1989 by certain payment limitation provisions of the Food Security Act of 1985, as amended.

The interim rule is scheduled for publication in today’s Federal Register. Comments on the rule may be submitted and must be received within 30 days of publication and should be sent to: Director, Cotton, Grains and Rice Price Support Division, Agricultural Stabilization and Conservation Service, USDA, Box 2415, Washington, DC 20013. Comments will be available for public inspection in Room 3637 of USDA’s South Building during normal business hours.

Lyng also said that, in order to comply with a United States District Court order, all 1988 crop payments will be conditionally issued without regard to the marital status of an individual. Lyng said that the District Court order invalidated an 18-year-old regulation which considered a husband and wife as one person for payment limitation purposes. In the event that the District Court order is overturned on appeal, all additional payments that were made pursuant to the order would have to be refunded, together with interest.

Lyng said that those married individuals who are participating in the 1988 Commodity Credit Corporation price support and production adjustment programs may submit revised payment limitation farm operating plans to their county ASCS offices through July 8.

Bruce Merkle (202) 447-6787

#

USDA ISSUES THREE PERMITS TO TEST GENETICALLY ENGINEERED PLANTS

WASHINGTON, June 8—The U.S. Department of Agriculture's Animal and Plant Health Inspection Service has issued three permits to allow field testing of genetically engineered tomato and tobacco plants. In addition, APHIS has received three more applications to field test genetically engineered tobacco and tomato plants in Iowa and Delaware.

Two permits were issued to the Monsanto Agricultural Co. of St. Louis, Mo. One allows field testing of genetically engineered tomato plants designed to be resistant to the tobacco mosaic virus—an organism that stunts plants and reduces yield. The other is for genetically engineered tomato plants that are designed to be tolerant to the herbicide glyphosate. The sites of the field trials are small plots in Jersey County, Ill., and Fresno County, Calif.

In the Illinois trial, a gene encoding the tobacco mosaic virus coat protein has been inserted into a tomato chromosome. Resistance to the tobacco mosaic virus is provided by a "cross-protection" mechanism that prevents the virus from multiplying, thus protecting the plant.

In the California trial, the weed-killing herbicide glyphosate is sprayed on both conventional and genetically engineered tomato plants. If the genetically engineered tomatoes react as they did in the greenhouse, they will be able to continue to mature and produce normal fruit. Glyphosate is one of the new herbicides that rapidly degrades in the environment. It has been shown to be less toxic to animals than many other herbicides commonly used on tomatoes.

The third permit has been issued to the Sandoz Crop Protection Corp., Des Plaines, Ill.. It allows field testing of genetically engineered tobacco plants that are designed to be tolerant to new herbicides that are less harmful to the environment. This field trial, in a small plot in Scotland County, N.C., involves tobacco plants that have been genetically engineered to be tolerant to sulfonylurea herbicides. These are a new class of herbicides noted for their high herbicidal activity at very low rates, excellent crop selectivity, and low toxicity to mammals.

In assessing the environmental impact of the field trials, APHIS officials considered whether the new genes or their products had any plant pest characteristics. They also reviewed the companies' methodology and data concerning the sites of the field trials. All data confirmed that the trials are safe, and that they will not have a significant impact on the environment.

APHIS regulates the introduction, importation, interstate movement and

release into the environment of genetically engineered organisms and products that may be plant pests. A permit is required before such items may be introduced.

Copies of the environmental assessments prepared by APHIS are available to the public. Contact USDA, APHIS, Biotechnology Permit Unit, Room 632 Federal Building, 6505 Belcrest Rd., Hyattsville, Md. 20782. Refer to Docket No. 88-075 (disease-resistant tomatoes, Monsanto, Illinois), Docket No. 88-062 (herbicide-tolerant tomatoes, Monsanto, California), Docket No. 88-078 (herbicide-tolerant tobacco, Sandoz, North Carolina) or Docket No. 88-083 (three new applications, Iowa and Delaware). Notice of these actions are scheduled for publication in the June 6 Federal Register.

Larry Mark (202) 447-3977.

#

FAST-SPREADING IMPORTED GRAIN PEST TO FACE CRASH RESEARCH PROGRAM

WASHINGTON, June 8—Seven federal scientists are ganging up against the newly imported Russian wheat aphid, a pest that damaged \$36 million worth of wheat, barley, oats and rye last year, a U.S. Department of Agriculture researcher said today.

About \$800,000 has been allocated for 1988 research and the program will be increased somewhat each year, said Richard S. Soper, national program leader for biological control in USDA's Agricultural Research Service.

Carried on the wind, the pest scourges crop fields, spreading disease and injecting toxin into leaves as it feeds. Damaged leaves curl, sheltering the hidden pest from pesticides—of which \$17.2 million worth were used last year to fight the aphid.

The pest, originating in the Soviet Union, Iran and Afghanistan, was first detected in the Texas panhandle in 1986. It has since spread to Arizona, Colorado, Idaho, Kansas, Montana, Nebraska, New Mexico, Oklahoma, Oregon, South Dakota, Utah, Washington and Wyoming.

Some 60 million acres of crops are considered susceptible to the aphid's attack. Scientists believe it came to Texas from Mexico. Its quick spread prompted the new research program, as officials expect the aphid to continue moving.

Soper said the new research program was designed with the curly leaf problem in mind. “We will look for methods that will work even if pests are protected underneath curled leaves.”

“Our goal,” he said, “is to develop simulation models that include interactions of the aphid and its natural enemies. We want to devise integrated control strategies for managing the pest under different conditions.”

Soper pointed out that in its native habitat the aphid is not a pest problem. “It is likely being kept in check by natural enemies there, so we have high hopes for biological controls.” Aphid research includes the following projects:

- * Biological controls—such as other insects or diseases—to control the aphid will be the center of attention at the European Parasite Laboratory in Behoust, France, headed by Ray Moore. The laboratory’s Tad Poprawski and Francis Gruber will travel to Spain, Turkey, Bulgaria, Yugoslavia, Romania, Greece and elsewhere to look for potential new agents.
- * Resistant varieties of wheat and other crops will be the focus of James Webster and Owen Merkle at the Wheat and Other Cereal Crops Research Laboratory in Stillwater, Okla. Scientists there have already identified sources of resistance, which they will use to breed better wheat lines.
- * A biological control expert will be hired at the Stillwater laboratory to screen aphid disease pathogens held at the agency’s Insect Fungal Culture Collection in Ithaca, N.Y., to find those strains that attack the Russian wheat aphid.
- * Cultural practices, like putting mulch under crops, are known to repel other aphids. Robert Burton at the Stillwater laboratory will test this and other cultural methods against the Russian wheat aphid.
- * Screening insecticides will be one project at the Northern Grain Insects Laboratory in Brookings, S.D., which is headed by Gerald Sutter.
- * Computers at the Brookings laboratory will help Sutter and his group there organize all information gathered by researchers on the aphid.

The aphid’s habits, life cycle, population potential and other facts need to be known. Both the Wheat and Other Cereal Crops and the Northern

Grain Insects laboratories will focus on basic biology.

Jessica A. Morrison (301) 344-3927

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USDA ANNOUNCES 1987 CROP LOAN RATES AND ASSESSMENTS FOR PUERTO RICAN TOBACCO

WASHINGTON, June 8—The U.S. Department of Agriculture’s Commodity Credit Corporation today issued schedules of grade loan rates for 1987 crop Puerto Rican type 46 tobacco based on an average price support level of 74.7 cents per pound, 0.3 cents lower than the 1986 average support level.

To qualify for price support, producers of Puerto Rican tobacco must agree to contribute 53 cents per pound for tobacco marketed to the Cooperativa Cosecheros de Tabaco de Utuado for deposit in the cooperative’s no-net-cost tobacco account. This is 1 cent per pound higher than the assessment for the 1986 crop.

The account has been established within CCC in accordance with the provisions of the No-Net-Cost Tobacco Program Act of 1982. The cooperative will also deduct an additional 6.2 cents per pound to apply against overhead costs.

Puerto Rican type 46 tobacco graded “N” (nondescript) will not be accepted as loan collateral. Support for the “N” grade has been suspended due to limited demand and low quality.

The 1987 loan rates for Puerto Rican tobacco, by grade and cents per pound, are:

Grade	Loan Rate	Grade	Loan Rate
C1F	82.5	X2T	67.0
C1P	82.5	X2F	67.0
X1F	75.5	X2P	67.0
X1P	75.5	X2S	67.0
X1S	75.5		

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